

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7153

BILL NUMBER: SB 383

DATE PREPARED: Jan 15, 2001

BILL AMENDED:

SUBJECT: Sprinkler systems in dorms.

FISCAL ANALYST: Chuck Mayfield

PHONE NUMBER: 232-4825

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

STATE IMPACT	FY 2001	FY 2002	FY 2003
State Revenues			
State Expenditures		10,000,000	
Net Increase (Decrease)		(10,000,000)	

Summary of Legislation: This bill requires a state educational institution to install a fire suppression system throughout a dormitory. It provides that the plans for the installation must be submitted to the Office of the State Building Commissioner. The bill requires the institution to complete the installation by July 31, 2005. It also creates the Dormitory Safety Fund to provide grants and loans to entities, other than state educational institutions, that own dormitories recognized by a state educational institution to install fire suppression systems. This bill appropriates \$5,000,000 to the Dormitory Safety Fund to provide grants and loans to entities that own dormitories recognized by a state educational institution to install fire suppression systems. The bill also appropriates \$5,000,000 to the State Educational Institution Fire Suppression Fund for appropriations for state educational institutions to pay for installation of fire suppression systems.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The bill requires a dormitory at a state university to have an automatic fire suppression system in the common areas and sleeping areas by July 31, 2005. Dormitory includes a residence or multiple dwelling that is used by a fraternity or sorority recognized by a state university.

The bill creates the State Educational Institution Fire Suppression Fund and the Dormitory Safety Fund. It appropriates \$5M to each of the funds. The funds are non-reverting revolving funds for the purpose of paying

the expenses of installing fire suppression systems. Expenditures from the funds require the approval of the Budget Agency and Budget Committee. The Board of Finance is required to set the interest rate of loans from the Dormitory Safety Fund. The funds expire July 1, 2006.

The cost for fraternities and sororities is unknown. Residence-hall budgets are generally auxiliaries of the universities so the net capital expenses for the fire suppression systems could be reflected in future room rates. Universities were surveyed about the possible impact of the bill. Currently, three universities have responded.

- Purdue has a 10-year plan to provide sprinkling systems to all their residence facilities. Currently nine have no sprinkler systems and three have partial systems. Purdue estimates the cost to be about \$10-12 M.
- Indiana Vocational Technical College has no dormitories.
- Ball State University has no fire suppression systems in their residence halls. The estimated cost to install the new systems would be about \$20 M.

The fiscal note will be updated after more universities have responded to inquiry of the possible impact.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Budget Agency, State Universities, Department of Administration, State Board of Finance.

Local Agencies Affected:

Information Sources: Indiana University, Ball State University, Indiana State University, Indiana University, Ivy Tech, Purdue University, University of Southern Indiana, Vincennes University.